

Ned Greenwood  
Questar Southern Trails Pipeline  
180 East 100 South  
P.O. Box 45360  
Salt Lake City, Utah 84145-0360  
Tel 801 324 2713• Fax 801 324 2446

November 10, 2003

Pat R. Perez  
Manager  
Transportation Energy Division  
California Energy Commission  
1516 Ninth Street, MS 23  
Sacramento, CA 95814-5504

Dear Mr. Perez:

I am writing to you as a follow-up to our October 7 meeting to discuss the California Energy Commission (CEC) pipeline feasibility study dated August 2003. One of the items we discussed was our concern about comments attributed to the California State Fire Marshall's Office regarding the condition of our pipeline.

After our meeting with you, we met with Mr. Bob Gorham of the Fire Marshall's Office. We expressed the same concerns to him about the statements in the study. We presented to Mr. Gorham information on our conversion plans.

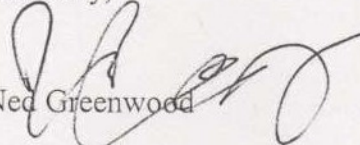
Based upon the engineering and environmental information we presented, the Fire Marshall's Office has written a letter that addresses their prior comments. I have attached a copy of their letter.

During our October 7 meeting, we discussed our concern with the impression someone would have of Southern Trails after reading the feasibility study. In the event the Fire Marshall's Office changed their opinion of our pipeline, I believe you offered to amend the feasibility study to reference their letter.

We would appreciate if the letter from the Fire Marshall's Office would be made a permanent attachment to the feasibility study and that reference to it is made on page 11 of the study. This request would include any method someone could request or access the study including the internet.

If you have any questions or suggestions on distribution of the letter, please contact me. Thank you for your effort to amend the feasibility study.

Sincerely,

  
Ned Greenwood

attachment

**OFFICE OF THE STATE FIRE MARSHAL****Pipeline Safety Division**

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FM-4

November 6, 2003

Ned Greenwood  
Questar Southern Trails Pipeline  
P.O. Box 45360  
Salt Lake City, Utah 84145

Dear Mr. Greenwood:

The California Energy Commission published a report dated August 2003 that was titled "Gulf Coast To California Pipeline Feasibility Study." On page 11, the report expresses concerns, attributed to the California State Fire Marshal's Office regarding the former Four Corners crude oil pipeline that is now the Questar Southern Trails Pipeline. The report states:

"The primary issue regarding this alternative involves concerns raised by the State Fire Marshal regarding the degree of rehabilitation required to make the line suitable for use as a product pipeline. Numerous leaks caused by external corrosion are cited as one concern. Use of an existing pipeline that was constructed in 1959 could pose an environmental risk that would require significant additional investment to mitigate against product release."

The State Fire Marshal's Pipeline Safety Division's findings were based upon the history of the line at the time. Since the report was published, the State Fire Marshal's Pipeline Safety Division has had an opportunity to review Southern Trails' current conversion plans and the requirements imposed on the pipeline by the environmental review process. Based upon the additional engineering and environmental information presented by Questar, this office feels it's concerns regarding the condition of the pipeline and any threats to the environment have been addressed.

Sincerely,

Glenn L. Tong

Chief

Pipeline Safety Division

cc: Bob Gorham